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Financing of the United Nations Observer Mission in Georgia

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Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Observer Mission in Georgia for the period from 1 July 1998 to 30 June 1999. The General Assembly, by its resolution 52/242 of 26 June 1998, appropriated an amount of $19,439,280 gross ($18,452,580 net) for the same period. In addition, commitment authority in the amount of $1,534,400 gross ($1,426,600 net) was provided by the Advisory Committee on Administrative and Budgetary Questions in a letter from its Chairman to the Secretary-General dated 11 December 1998.

Expenditures for the period totalled $20,516,000 gross ($19,525,900 net), excluding budgeted voluntary contributions in kind of $1,147,000, resulting in an overrun of $1,076,720 gross ($1,073,320 net).

The overrun resulted mainly from increased requirements for operational costs.

The action to be taken by the General Assembly in connection with the financing of the Mission is set out in paragraph 20 of the present report.

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I. Introduction

1. The United Nations Observer Mission in Georgia (UNOMIG) was established by the Security Council in its resolution 858 (1993) of 24 August 1993. The Mission's mandate has been extended by subsequent Security Council resolutions, the most recent of which was 1255 (1999) of 30 July 1999, by which the Council extended the mandate for a new period terminating on 31 January 2000.

2. The budget for the maintenance of UNOMIG for the period from 1 July 1998 to 30 June 1999 was set out in the report of the Secretary-General dated 9 February 1998 (A/52/787). It amounted to $20,743,400 gross ($19,756,700 net), inclusive of budgeted voluntary contributions in kind amounting to $2,294,000. It provided for the maintenance of up to 135 military observers, 62 international staff and 95 locally recruited staff. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 14 of its report of 31 March 1998 (A/52/860/Add.2), recommended that the General Assembly appropriate $18,449,400 gross ($17,462,700 net) for the period from 1 July 1998 to 30 June 1999.

3. The General Assembly, by its resolution 52/242 of 26 June 1998, appropriated an amount of $19,439,280 gross ($18,452,580 net) for the maintenance of UNOMIG for the period from 1 July 1998 to 30 June 1999, inclusive of $989,880 for the support account for peacekeeping operations. This amount has been assessed on Member States.

4. In a letter to the Chairman of the Advisory Committee dated 2 December 1998, the Controller informed the Committee that vigorous efforts had been made to improve the safety of UNOMIG staff, including the purchase of 10 additional ballistic-protective vehicles at an estimated cost of $1.1 million. That action had been recommended by the Secretary-General in his report to the Security Council dated 10 June 1998 (S/1998/497) and supported by the Council in a letter dated 10 July 1998 from the President addressed to the Secretary-General (S/1998/633). At that time, the Controller instructed that every effort be made to absorb the cost of the additional vehicles within the approved budget of UNOMIG for the period from 1 July 1998 to 30 June 1999.

5. The Controller added that in a subsequent report, dated 29 October 1998 (S/1998/1012), the Secretary-General had informed the Security Council that there had been further incidents in the mission area that directly endangered the safety and security of UNOMIG personnel. The most serious incident involved an ambush on a UNOMIG bus, resulting in injuries to several military and civilian staff. The Secretary-General had therefore proposed an increase in the number of internationally recruited personnel along with the logistical support necessary to provide internal security to the Mission's installations. The President of the Security Council, in a statement dated 25 November 1998 (S/PRST/1998/34), had stated that the Security Council welcomed the efforts of the Secretary-General aimed at improving the security of UNOMIG.

6. The Controller pointed out that, taking into account the absorption of the cost of the vehicles and the Mission's prorated share of the cost of the United Nations Logistics Base at Brindisi, Italy, it would not be possible to absorb the cost of the proposed additional security personnel as well in view of the fact that UNOMIG was a small mission with a modest budget. He therefore sought the concurrence of the Advisory Committee to enter into commitments in an amount not exceeding $1,534,400 gross ($1,426,600 net) for the additional staffing requirements together with their related logistical support.

7. The concurrence of the Advisory Committee was contained in a letter to the Secretary-General dated 11 December 1998. That amount has not been assessed on Member States.

8. It is recalled that the General Assembly, in its resolution 53/232 of 8 June 1999, appropriated an additional amount of $290,200 gross ($485,200 net) for the maintenance of UNOMIG for the period from 1 July 1997 to 30 June 1998. However, on the assumption that this additional requirement could be met from the unencumbered balance relating to the period from 1 July 1998 to 30 June 1999, the Assembly did not assess these amounts on Member States. Since expenditures for the period from 1 July 1998 to 30 June 1999 have exceeded the amounts appropriated by the Assembly for that period, the action to be taken in respect of the assessment of the additional amount of $290,200 gross ($485,200 net) required for the period from 1 July 1997 to 30 June 1998 is included in paragraph 20 of the present report.

II. Implementation of the budget

9. During the reporting period, UNOMIG continued to operate in an unstable security environment. UNOMIG personnel and property were subjected to acts of violence by armed individuals. As indicated above, there were a number of incidents that endangered the safety and security of UNOMIG personnel, necessitating changes in operational plans. Those incidents included the murder of an international secretary at her private accommodation, the throwing of grenades into the UNOMIG headquarters compound in Sukhumi on three occasions, two car hijackings and the ambush of a clearly marked UNOMIG bus in the centre of Sukhumi on 21 September 1998. On that occasion a military observer was seriously injured by gunfire, and substantial medical expenses have been incurred for his ongoing treatment.

10. In view of the precarious security situation in the mission area, UNOMIG continued to review the security arrangements in place at all locations where mission personnel were deployed. As a result of this review, strict security arrangements were put in place to limit the movement of vehicles and personnel during the evening hours, the reopening of the team bases was postponed, and UNOMIG assets were relocated to Zugdidi instead of Sukhumi as originally planned. Mainly because of the closure of the team bases, the number of military observers deployed was maintained below the authorized strength of 135. To further improve the security of personnel, the 10 additional ballistic-protected vehicles that had been purchased were deployed, bringing the number of such vehicles in the mission area to 25. Furthermore, additional security personnel (17 international and 37 local) were deployed to provide internal security to the Mission's installations.

11. The shooting incident of 21 September 1998 prompted many staff members to leave UNOMIG sooner than the expected end of their assignment and also discouraged others from joining the Mission. This, therefore, created vacancies, especially during the first six months of the period under review. However, this development also made it possible to cover much of the cost associated with the deployment of the additional security personnel with funds appropriated for civilian personnel.

12. The decision to keep the team bases closed and to restrict movement significantly reduced the mileage on UNOMIG vehicles, resulting in substantial savings in fuel consumption.

13. The establishment of a new logistics base at Zugdidi required substantial resources for renovation, travel and temporary help. The establishment of this facility, along with the ongoing security threat and the fact that UNOMIG had been experiencing interference with its radio communications, precipitated major efforts to upgrade the Mission's communication system, thereby incurring a sizeable increase in capital spending.

14. Another factor affecting the implementation of the budget was the decision by the Government of Switzerland to withdraw its voluntary contribution in-kind of a fixed-wing aircraft effective 31 December 1998. As a result, UNOMIG was forced to charter a fixed-wing aircraft within existing resources in order to continue to provide operational support.

15. It can be seen, therefore, that the changes in operational plans had a significant direct and indirect impact on the implementation of the budget, and in particular on non-recurrent expenditures, which increased from the $1,018,000 budgeted to $2,984,200.

16. Finally, in order to carry out its mandate effectively, UNOMIG actively sought surplus assets from the United Nations Logistics Base at Brindisi and other peacekeeping missions to improve its services. These additional assets, valued at $1.8 million, significantly improved the capacity of the Mission's logistical functions on the one hand, but also increased freight charges significantly beyond the amount budgeted.

17. Six Coordinating Council meetings were held during the reporting period. These were supported primarily by allocations from the Trust Fund for Negotiations to find a Comprehensive Settlement of the Georgian/Abkhaz Conflict.

III. Financial performance report for the period from 1 July 1998 to 30 June 1999

18. As indicated in table 1, an amount of $19,439,280 gross ($18,452,580 net) was appropriated for the maintenance of UNOMIG for the period from 1 July 1998 to 30 June 1999. The related expenditures amounted to $20,516,000 gross ($19,525,900 net), inclusive of $2,298,900 in unliquidated obligations. The overrun of $1,076,720 gross ($1,073,320 net) represents, in gross terms, 5.5 per cent of the amount appropriated.

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Military personnel	4 761.0	3 479.5	1 281.5
Civilian personnel	8 153.6	8 201.1	(47.5)
Operational costs	4 498.6	6 675.1	(2 176.5)
Other programmes[b]	49.5	21.7	27.8
United Nations Logistics Base at Brindisi	-	158.6	(158.6)
Support account for peacekeeping operations	989.9	989.9	-
Staff assessment	986.7	990.1	(3.4)
Gross requirements	**19 439.3**	**20 516.0**	**(1 076.7)**
Income from staff assessment	(986.7)	(990.1)	3.4
Net requirements	**18 452.6**	**19 525.9**	**(1 073.3)**
Voluntary contributions in kind (budgeted)	1 147.0	1 147.0	-
Voluntary contributions in kind (non-budgeted)	-	-	-
Total resources	**20 586.3**	**21 663.0**	**(1 076.7)**

[a] Includes an amount of $2,298,900 in unliquidated obligations.

[b] Excluding personnel.

19. Information on the deployment of military observers and civilian personnel during the reporting period is given in table 2 and annex III.

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1998 to 30 June 1999

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
Military observers	135	99	27
International staff	62	56	10
Local staff	95	93	3

IV. Action to be taken by the General Assembly at its fifty-fourth session

20. The actions to be taken by the General Assembly in connection with the financing of the United Nations Observer Mission in Georgia are:

(a) To assess an amount of $290,200 gross ($485,200 net) for the maintenance of UNOMIG for the period from 1 July 1997 to 30 June 1998 in addition to the amount

of $18,580,500 gross ($17,582,100 net) already assessed for the same period in accordance with Assembly resolution 51/236 of 13 June 1997;

(b) To appropriate an additional amount of $1,076,720 gross ($1,073,320 net) from the amount of $1,534,400 gross ($1,426,600 net) authorized by the Advisory Committee on Administrative and Budgetary Questions under the provisions of section IV of Assembly resolution 49/233 A of 23 December 1994 for the period from 1 July 1998 to 30 June 1999;

(c) To assess on Member States the additional amount mentioned in subparagraph (b) above.

Annex I

Financial performance report for the period from 1 July 1998 to 30 June 1999: summary statement

(Thousands of United States dollars)

Category of expenditure	*(1)* *Apportionment* [a]	*(2)* *Non-recurrent expenditures*	*(3)* *Total expenditures (inclusive of non-recurrent expenditures)*	*(4) = (1 - 3)* *Variance*
I. Military personnel				
1. Military observers	4 694.1	-	3 426.4	1 267.7
2. Military contingents	13.8	-	-	13.8
3. Other requirements pertaining to military personnel				
(a) Contingent-owned equipment	13.1	-	13.1	-
(b) Self-sustainment	-	-	-	-
(c) Death and disability compensation	40.0	-	40.0	-
Subtotal, line 3	53.1	-	53.1	-
Total, category I	**4 761.0**	-	**3 479.5**	**1 281.5**
II. Civilian personnel				
1. Civilian police	-	-	-	-
2. International and local staff	8 153.6	-	8 201.1	(47.5)
3. United Nations Volunteers	-	-	-	-
4. Government-provided personnel	-	-	-	-
5. Civilian electoral observers	-	-	-	-
Total, category II	**8 153.6**	-	**8 201.1**	**(47.5)**
III. Operational costs				
1. Premises accommodation	621.4	271.9	641.5	(20.1)
2. Infrastructure repairs	30.0	46.5	46.5	(16.5)
3. Transport operations	1 435.1	1 596.2	2 336.1	(901.0)
4. Air operations	874.7	7.0	1 046.3	(171.6)
5. Naval operations	-	-	-	-
6. Communications	503.6	630.9	970.8	(467.2)
7. Other equipment	415.5	431.7	541.2	(125.7)
8. Supplies and services	515.1	-	879.2	(364.1)
9. Air and surface freight				
(a) Transport of contingent-owned equipment	-	-	-	-
(b) Commercial freight and cartage	103.2	-	213.5	(110.3)
Subtotal, line 9	103.2	-	213.5	(110.3)
Total, category III	**4 498.6**	**2 984.2**	**6 675.1**	**(2 176.5)**

Category of expenditure	(1) Apportionment[a]	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4) = (1 - 3) Variance
IV. Other programmes				
1. Election-related supplies and services	-	-	-	-
2. Public information programmes	22.5	-	6.1	16.4
3. Training programmes	27.0	-	15.6	11.4
4. Mine-clearing programmes	-	-	-	-
5. Assistance for disarmament and demobilization	-	-	-	-
Total, category IV	**49.5**	**-**	**21.7**	**27.8**
V. United Nations Logistics Base at Brindisi	**-**	**-**	**158.6**	**(158.6)**
VI. Support account for peacekeeping operations	**989.9**	**-**	**989.9**	**-**
VII. Staff assessment	**986.7**	**-**	**990.1**	**(3.4)**
Gross requirements, categories I-VII	19 439.3	2 984.2	20 516.0	(1 076.7)
VIII. Income from staff assessment	**(986.7)**	**-**	**(990.1)**	**3.4**
Net requirements, categories I-VIII	18 452.6	2 984.2	19 525.9	(1 073.3)
IX. Voluntary contributions in kind (budgeted)	**1 147.0**	**-**	**1 147.0**	**-**
X. Voluntary contributions in kind (non-budgeted)	**-**	**-**	**-**	**-**
Total	**20 586.3**	**2 984.2**	**21 663.0**	**(1 076.7)**

[a] Based on appropriation provided in General Assembly resolution 52/242.

Annex II

Supplementary information on significant variances

Military personnel

Apportionment: $4,761,000; expenditure: $3,479,500; variance: $1,281,500

1. The unutilized balance of $1,281,500 under this heading resulted from lower requirements for military observers ($1,267,700) and military contingents ($13,800).

Military observers

Apportionment: $4,694,100; expenditure: $3,426,400; variance: $1,267,700

2. The unutilized balance of $1,267,700 under this heading resulted primarily from the decision not to deploy fully the military observers nor to reopen team bases. Because of the unstable security environment there was an average monthly deployment of 99 observers compared with the authorized strength of 135.

Military contingents

Apportionment: $13,800; expenditure: none; variance: $13,800

3. The apportionment was to provide for the purchase of ration packs to be held in reserve for emergency use by the Mission. Existing stocks were adequate and the shelf life remained valid.

Civilian personnel

Apportionment: $8,153,600; expenditure: $8,201,100; variance: ($47,500)

4. The average monthly vacancy rate was 10 per cent among the international staff and 3 per cent for the local staff. The additional requirement of $47,500 arose primarily from costs associated with the deployment of 54 additional civilian security personnel (17 international and 37 local) and the hiring of additional local personnel for relocation of the logistics base from Pitsunda to Zugdidi. It was possible to absorb most of those costs because of the high vacancy rate among international staff resulting from the unstable security situation.

Operational costs

Apportionment: $4,498,600; expenditure: $6,675,100; variance: ($2,176,500)

5. The additional requirements under this heading resulted from higher requirements for premises/accommodation ($20,100), infrastructure repairs ($16,500), transport operations ($901,000), air operations ($171,600), communications ($467,200), other equipment ($125,700), supplies and services ($364,100) and freight ($110,300).

Infrastructure repairs

Apportionment: $30,000; expenditure: $46,500; variance: ($16,500)

6. Additional requirements were attributed primarily to the fact that the actual cost of bridge repairs was higher than anticipated.

Transport operations

Apportionment: $1,435,100; expenditure: $2,336,100; variance: ($901,000)

7. The additional requirements under this heading are a direct result of the need to improve the safety and security of UNOMIG personnel and installations. The additional vehicles purchased included 10 ballistic-protective vehicles and transport vehicles for the additional security personnel, as explained in paragraphs 4 and 6 of the main report.

Air operations

Apportionment: $874,700; expenditure: $1,046,300; variance ($171,600)

8. The additional requirements under this heading represent primarily costs incurred for the charter of a replacement aircraft following the withdrawal on 31 December 1998 of the fixed-wing aircraft previously provided as a voluntary contribution in kind.

Communications

Apportionment: $503,600; expenditure: $970,800; variance: ($467,200)

9. The additional expenditures under this heading were due to several urgent operational requirements. They included a year 2000-compatible switchboard ($122,909), multiplexers/modems ($224,079) and digital microwave links ($88,765). These purchases were necessary to replace outdated equipment, upgrade existing facilities and provide connectivity to the newly established logistics base at Zugdidi.

Other equipment

Apportionment: $415,500; expenditure: $541,200; variance: ($125,700)

10. Additional requirements of $125,700 under this heading included office furniture and equipment such as filing cabinets, replacement photocopiers and fax machines for some locations and safes to improve cash safety and provide storage for weapons of newly arrived security personnel. This amount also includes $79,300 for the purchase of year 2000-compliant computers. The original number of computers that were not year 2000-compatible was erroneously reported as 65 desktops and 30 laptops; the actual number was 96 desktops and 42 laptops.

Supplies and services

Apportionment: $515,100; expenditure: $879,200; variance: ($364,100)

11. The additional requirements under this heading related mainly to medical expenses incurred in connection with the injury of a military observer during an attack on the UNOMIG bus on 21 September 1998. He is receiving ongoing treatment.

Air and surface freight

Apportionment: $103,200; expenditure: $213,500; variance: ($110,300)

12. Additional requirements arose in connection with the shipment of equipment and vehicles from the United Nations Logistics Base at Brindisi, Italy, the United Nations Military Observer Group in India and Pakistan and the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium/Civilian Police Support Group.

Other programmes

Apportionment: $49,500; expenditure: $21,700; variance: $27,800

13. The unutilized balance resulted under public information programmes and Training.

Public information programmes

Apportionment: $22,500; expenditure: $6,100; variance: $16,400

14. Activities under this heading were limited because no public information officer was deployed during the period.

Training programmes

Apportionment: $27,000; expenditure: $15,600; variance: $11,400

15. Fewer training programmes were undertaken owing to vacancies in the Mission.

United Nations Logistics Base at Brindisi

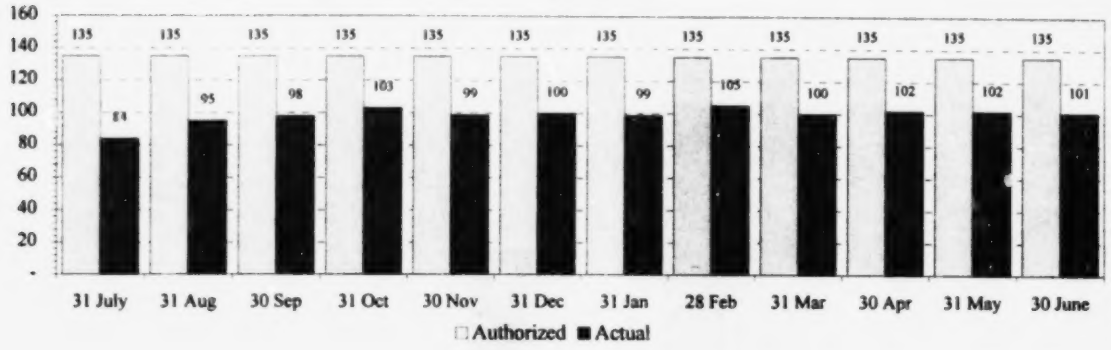
Apportionment: none; expenditure: $158,600; variance: ($158,600)

16. The expenditure of $158,600 represents the Mission's prorated share of the cost of maintaining the United Nations Logistics Base at Brindisi for the reporting period, in accordance with General Assembly resolution 52/1 B of 26 June 1998.

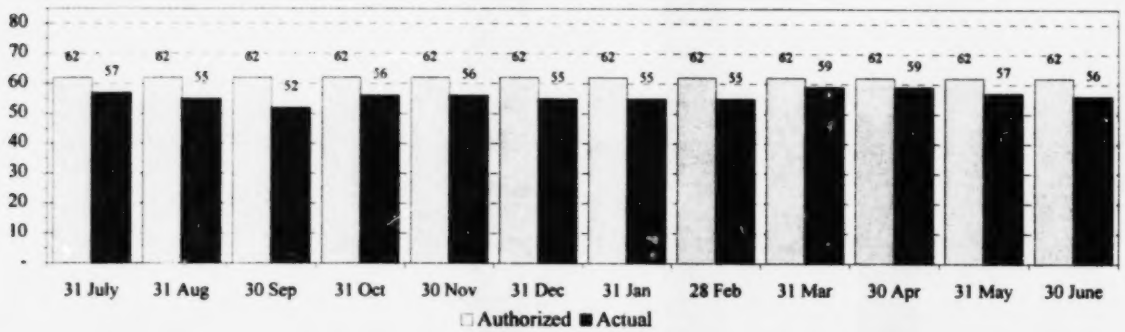
Annex III

Planned and actual deployment of military and civilian personnel for the period from 1 July 1998 to 30 June 1999

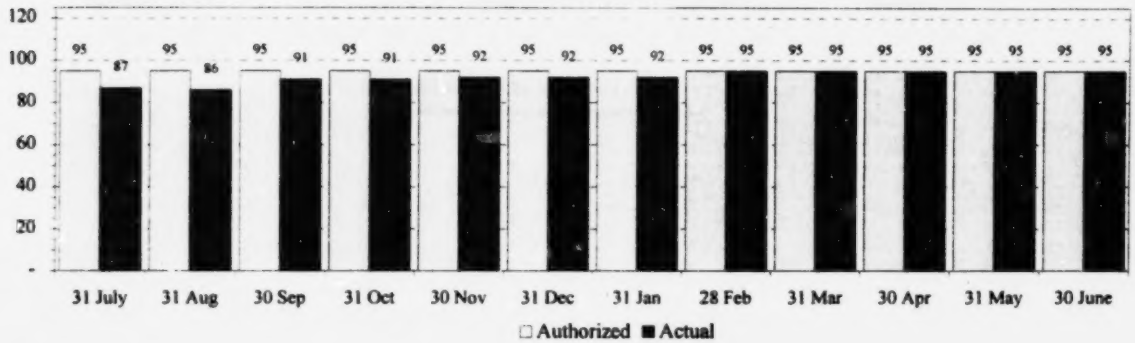
1. Military observers



2. International staff



3. Local staff



Annex IV

Apportionment and expenditure for the period from 1 July 1998 to 30 June 1999